Non-Availability of finance for SSIs

3526. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that non-availability of finance remains a major area of concern for the SSIs Sector which is an important segment of country's economy;

(b) whether Government are also aware that the problem is compounded as the banks demand collateral securities, making it difficult for SSI entrepreneurs to get easy loan from banks;

(c) if so, the details thereof;

(d) whether Government propose to discourage the banks from demanding collateral securities from SSI entrepreneurs; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The Reserve Bank of India (RBI) has reported that credit to small scale industrial (SSI) sector has almost continuously kept pace with the increase in net bank credit as would be observed from the following

As on last Friday of	Net bank Credit	Credit to SSI Sector	% of credit to SSI sector to Net Bank Credit
March 1993	132782	10388	14.6%
March 1994	140714	21581	15.3%
March 1995	169038	25843	15.3%
March 1996	184391	29482	15.99%
Sept. 1996	175291	28809	16.4%

(b) and (c) RBI has reported that under the existing security norms, banks do not take collateral/third party guarantee in respect of loans upto Rs. 25,000/- Only the assets created out of loans sanctioned are required to be pledged/ hypothecated to the banks. For loans above Rs. 25,000/-, the banks are free to determine the security norms depending upon merits of each case. However, collateral security by way of immovable properties or third party guarantee may be asked for only in cases where primary security is inadequate or for other valid reasons and not as a matter of routine. Proposals otherwise viable should not be turned down merely for want of such collateral security or third party guarantee.

(d) and (e) No change in the existing guidelines is considered necessary.

Income-Tax evasion exceeding rupees one crore

3527. SHRI M.A. BABY: Will the Minister of FINANCE be pleased to state:

(a) the details of cases of income tax evasion of rupees one crore and above by individuals and corporate bodies during the last three years; and

(b) the details of action taken in each case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) There are a number of cases in which prima facie tax evasion of rupees one crores and above have been detected by the Income-tax Department. However, since these cases are either at various stages of completion or pending before